

COMMERCIAL TAXES DEPARTMENT

DEMAND NO.10

POLICY NOTE 2009-2010

COMMERCIAL TAXES

INTRODUCTION

வாரி பெருக்கி வளம்படுத்து உற்றவை
ஆராய்வான் செய்க வினை.

- திருக்குறள்

(பொருளுரை: பொருள் வரும் வழிகளை பெருகச் செய்து, அவற்றால் வளத்தை உண்டாக்கி வரும் இடையூறுகளை ஆராய்ந்து நீக்க வல்லவனே செயல் செய்ய வேண்டும்.)

The State Government which sees God in the smiles of the poor people, is implementing large number of welfare schemes for uplifting the standard of living of the people and also several schemes for the development of infrastructure for economic and industrial growth. To achieve the above goal in full spirit, the Government have to mobilize financial resources for which the Commercial Taxes Department contributes nearly 70% of the State's tax collections. In spite of slow down in economic growth all over India, the Commercial Taxes Department has achieved a revenue collection of Rs.22570.12 crores during the year 2008-2009 registering a growth rate of 13.12% over the revenue derived during the previous year i.e., 2007-2008.

2. ACTS ADMINISTERED BY THE DEPARTMENT

The Commercial Taxes Department is administering the following Acts and enforcing collection of taxes under the respective heads:

1. Tamil Nadu General Sales Tax Act, 1959 (upto 31.12.2006)
2. Tamil Nadu Additional Sales Tax Act, 1970 (upto 31.12.2006)
3. Tamil Nadu Value Added Tax Act, 2006 (with effect from 1.1.2007)
4. Central Sales Tax Act, 1956
5. Tamil Nadu Entertainment Tax Act, 1939
6. Tamil Nadu Betting Tax Act, 1935
7. Tamil Nadu Tax on Luxuries Act, 1981
8. Tamil Nadu Tax on Entry of Motor Vehicles into Local Areas Act, 1990.
9. Tamil Nadu Tax on Entry of Goods into Local Areas Act, 2001.
(This Act was struck down by the Madras High Court by its order dated 23.3.2007)
10. Tamil Nadu Advertisement Tax Act, 1983

3. TREND IN REVENUE COLLECTIONS

The revenue collections under all the Acts are tabulated below :

Year	Revenue collections (Rs. in crores)	Growth rate
2003-2004	11,757	15.27%

2004-2005	13,908	18.29 %
2005-2006	16,615	19.47%
2006-2007	19,217	15.66%
2007-2008	19,952	3.83%
2008-2009	22,570	13.12%

4. ACT - WISE REVENUE COMPARISON WITH PREVIOUS YEARS

The Act-wise revenue collection is as below :

(Rs. in crores)

	Acts	2003-2004	2004-2005	2005-2006	2006-2007	2007-008	2008-2009
1.	TNGST	9790	11462	13658	13416	429	293
2.	TNVAT	-	-	-	2290	16472	19440
3.	CST	1186	1495	1799	2033	1744	1653
4.	Entertainment Tax	75	59	44	25	16	12
5.	Betting Tax	5	6	6	6	6	6
6.	Luxury Tax	63	78	92	128	160	170
7.	Entry Tax on Vehicles & Goods	638	808	1016	1319	1125	996
	Total	11757	13908	16615	19217	19952	22570

5. RECEIPTS AND EXPENDITURE

The details of revenue receipts and expenditure for the Commercial Taxes Department are indicated below :

(Rs. in crores)

Minor Head	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
1. Receipts	11757	13908	16615	19217	19952	22570
2. Expenditure	93.70	102.34	110.44	128.52	143.73	187.27
3. Percentage of expenditure to receipts	0.80%	0.74%	0.66%	0.79%	0.72%	0.83%

6. VALUE ADDED TAX (VAT)

In our State, the Value Added Tax system has been implemented with effect from 1.1.2007 and the methods and procedures in the system were popularized among the traders and industries for the past two years. The traders and industries have welcomed the Value Added Tax system as this system is more beneficial and transparent. A new website for Value Added Tax with the address www.tnvat.gov.in is functioning from December 2006, which is regularly updated providing all information required by the dealers. The facility of e-filing of monthly returns has been introduced.

7. TAX CONCESSION ANNOUNCED IN THE BUDGET 2009-2010

It is customary practice of this Government to conduct pre-budget meeting with the representatives of Trade and Industry to ascertain their grievances and receive representations regarding the tax proposals and tax administration. Such a meeting was conducted on 4.2.2009 and various trade associations and chambers of commerce participated in that meeting and made representations. Considering those representations, tax concessions were announced in the Budget for the benefit of the consumers, traders and manufacturers. Significantly this is the fourth time this Government have presented a tax-free budget.

The following goods have been exempted from levy of Value Added Tax :

- (a) Pepper and cumin seed with turnover condition.
- (b) Pulses, grams, peas and peas dhal purchased for use in the manufacture of goods like flour are exempted from levy of purchase tax with effect from 1.1.2007.
- (c) Bleach Liquid.
- (d) Hand-made steel trunk box
- (e) Hand made tin containers

Similarly, the rate of tax on the following commodities which are used by common people has been reduced from 12.5% to 4%:-

- ❖ Branded ghee
- ❖ Branded pickles

- ❖ Hand made iron safe
- ❖ Dried grapes (Kismis)
- ❖ Paper pin, safety pin, gem clip, identity card clip, examination board clip, rubber band and stapler pin
- ❖ I.T. products, namely, i-pod, MP3 and MP4 players

The tax levied at 2 % on the sale of sago and starch through Salem SAGOSERVE was reduced to 1%

All the above tax concessions (except (b) above) have been made effective from 1.4.2009.

- ❖ To enable brick manufacturers to pay tax in a simple manner, tax will be levied on the basis of number of kilns, at the option of the dealers.
- ❖ Manufacturers and traders whose turnover was below the threshold limit of Rs. 5 Lakhs and Rs.10 Lakhs respectively, during the period from 1.1.2007 to 31.3.2007 have represented that they also may be given the benefits under Value Added Tax Act. Accepting their request, the assessment for the above period will be made under Tamil Nadu Value Added Tax Act (Tamil Nadu Value Added Tax Act) treating the total including the turnover under Tamil Nadu General Sales Tax Act, from 1.4.2006 to 31.12.2006 as annual total turnover under Tamil Nadu Value Added Tax Act. This assessment will be made only on dealers who have collected Value Added Tax during the above period.

8. COMPENSATION FOR REVENUE LOSS ON ACCOUNT OF INTRODUCTION OF VALUE ADDED TAX.

The Government of India in January, 2005 have informed all the States that they will provide compensation for loss on account of introduction of VAT at the rate of 100%, 75% and 50% respectively for the financial years 2005-06, 2006-07 and 2007-08 respectively. Since VAT has been introduced in our State from 1.1.2007 i.e. in the second financial year 2006-07, our State is eligible for compensation of 75% for January to March 2007 and of 50% for the third year viz. 2007-08. However, Hon'ble Chief Minister wrote to the Hon'ble Prime Minister of India and the Union Finance Minister requesting to provide compensation at the rate of 100%, 75% and 50% for the calendar years 2007, 2008 and 2009 respectively. The Government of India have accepted the

request to the extent that they will provide compensation at the rate of 75% and 50% for the calendar years 2007 and 2008 respectively. Accordingly, an amount of Rs.5024.74 crores has been claimed as compensation for the period from January 2007 to December 2008 and the Government of India has provisionally sanctioned so far an amount of Rs.3040 crores. Balance amount of compensation is due from the Government of India.

9. PHASING OUT OF CENTRAL SALES TAX:

Tamil Nadu is a major manufacturing State. The Government of India have decided to do away with Central Sales Tax in a phased manner. Accordingly the Central Sales Tax rate was reduced from 4% to 3% with effect from 1.4.2007 and from 3% to 2% with effect from 1.6.2008. To compensate the revenue loss on account of reduction of Central Sales Tax rate, the Government of India enabled the States to levy Value Added Tax on tobacco products and also compensation was to be provided. Accordingly, the State Government has amended the Tamil Nadu Value Added Tax Act, 2006 levying Value Added Tax on tobacco products. A sum of Rs.863.33 crores was claimed as compensation for the period from April 2007 to March 2008, out of which a sum of Rs.647.54 crores has been sanctioned by the Government of India provisionally. For the period from April 2008 to March 2009, a sum of Rs.1854.72 crores has been claimed as compensation.

10. ORGANISATION OF THE DEPARTMENT AND ITS FUNCTIONS:

The administration of the Department is vested with the Commissioner of Commercial Taxes. The Commissioner is assisted at the Headquarters by 5 Additional Commissioners, 3 Joint Commissioners, one Joint Director (Statistics & Research), 4 Deputy Commissioners and 6 Administrative Officers.

The posts in the Department from the cadre of Deputy Commercial Tax Officer to Joint Commissioner have been redesignated with effect from 30.7.2008 as Commercial Tax Officer, Assistant

Commissioner, Deputy Commissioner, Joint Commissioner and Additional Commissioner as per the request of the officers association.

There is functional distribution of work among different wings in the Department.

10.1 Assessment Wing

The Assessment Wing consists of Assessing Officers in the cadre of Assistant Commissioner, Commercial Tax Officer and Assistant Commercial Tax Officer. There are 323 Assessment Circles in the State, out of which, 236 circles are headed by Assistant Commissioners and 81 by Commercial Tax Officers. Six Fast Track Assessment Circles (four in Chennai and two in Coimbatore) are headed by Deputy Commissioners. The Assessing Officers are under the control and supervision of the Territorial Deputy Commissioners at district / zone level and the Joint Commissioners at the Division level. All the assessment circles and the Deputy Commissioner offices have been modernized by providing modular furniture.

10.2 Audit Wing

Each Commercial Taxes District has one internal audit party which consists of one Assistant Commissioner and one Commercial Tax Officer under the control of the Territorial Deputy Commissioner. It takes up audit of assessments, receipts and refunds on quarterly basis as per the programme charted by the Territorial Joint Commissioner. Rectification of audit para is watched by the respective Territorial Deputy Commissioners and Joint Commissioners.

Test audit of assessments and refunds is also undertaken by the Accountant General every year in all the assessment circles. Rectification / settlement of the objections is primarily attended to by the Assessing Officers. This important work is being supervised and monitored at the Divisional level by the Joint Commissioners and at the State level by the Additional Commissioner (Audit) in the office of the Commissioner of Commercial Taxes, Chennai.

10.3 Appellate Wing

The Appellate Deputy Commissioner is the first Appellate Authority. There are 20 Appellate Deputy Commissioners and two Appellate Joint Commissioners in the State. The Departmental Representatives in the cadre of Assistant Commissioner are appointed to represent/defend the

Department's case. Second Appeal lies with the Sales Tax Appellate Tribunal. The Main Bench is at Chennai, with one Additional Bench each at Chennai, Madurai and Coimbatore. A State Representative in the cadre of Joint Commissioner and Additional State Representatives in the cadre of Deputy Commissioner are appointed to represent/defend the Department's case in the Main Bench and the Additional Benches respectively.

10.4 Enforcement Wing

There are seven Enforcement Divisions in the State each headed by a Joint Commissioner. There is a separate Interstate Investigation Cell (ISIC) headed by a Joint Commissioner.

There are ten Deputy Commissioners in the Enforcement Wing with 14 Assistant Commissioners. Under each Deputy Commissioner and Assistant Commissioner, there are Groups consisting of Commercial Tax Officers and Assistant Commercial Tax Officers, besides Roving Squads, and officers at Rail Heads and Goods yards.

The Enforcement Wing conducts inspection of places of business to detect evasion of taxes. Besides, the Enforcement wing officers conduct field audit of the accounts of the dealers under Tamil Nadu Value Added Tax Act after getting permission from the Commissioner of Commercial Taxes, to verify the accounts of the dealers in their premises after giving proper intimation to the dealers. The Roving squads and Rail Head officers prevent evasion of tax by collecting invoices and other transport documents and cross verifying them. Interstate Investigation Cell gets details of business transactions from other States and verifies the same with the accounts of dealers of our State.

10.5 Check Posts

Twenty eight border Checkposts and one Internal Checkpost are functioning in the State. Border checkposts consist of fifteen major checkposts and thirteen minor checkposts. The internal checkpost is a major checkpost. The Assistant Commissioners are the Heads of offices in five major checkposts. Assistant Commercial Tax Officers are manning the Checkposts with complementary staff like Upper Division Inspectors, Record Clerks, Office Assistants and Load men. Checkposts have been

modernized by providing counters, furniture, name boards and other civil & electrical works at the cost of Rs. 87 lakhs. Checkposts have been provided with computers for entering the data of movement of vehicles, bills and documents collected.

11. COMMERCIAL TAXES STAFF TRAINING INSTITUTE

Commercial Taxes Staff Training Institute was started in the year 1982. The objective is to train the departmental personnel and equip them with current and upto date information in the matters of taxation under all the Acts administered by the Department. Since, computerization has been introduced in all important areas, this institute also provides training to departmental staff in all cadres in Computer operational methods, and guest lectures by experts in the field are also arranged.

The Institute functions under the control of Director in the cadre of Joint Commissioner (Commercial Taxes). Two Senior Lecturers in the cadre of Deputy Commissioner and one lecturer in the cadre of Assistant Commissioner are conducting training classes.

The Institute is organizing --

- ❖ Foundational Training on the concept of Taxation
- ❖ In service Training
- ❖ Computer Training
- ❖ Value Added Tax Training

Since the new concept on taxation, namely, the Value Added Tax has been introduced in this State on 1.1.2007 this Institute provides training on Value Added Tax to all the Ministerial Staff of Chennai Divisions.

The training under Value Added Tax Act in other Divisions of this Department was given at the Divisional Offices under the supervision of the Joint Commissioners concerned. This Institute also gives Computer training to the Ministerial Staff on departmental packages, intranet, internet and e-mail, for equipping them in computer operational methods.

During the year 2008-2009, Refreshment courses and In-service Training to the Officers and Ministerial Staff were given on –

- ❖ Computer Training in Departmental Packages
- ❖ Basic Computer Training
- ❖ VAT Refresher Training
- ❖ In-service Training

The objective of the Training Institute is to impart "In-service" as well as "Refresher" training to all the officials from the cadre of ministerial service to State Service on the different Acts and Rules administered by the Commercial Taxes Department. Further, Training is also given to all the staff and officers of the Department on the basics of computers as well as departmental packages as on date. The training is also imparted at the divisional headquarters such as Vellore, Salem, Coimbatore, Trichy, Madurai and Tirunelveli and is monitored and headed by Administrative Deputy Commissioners in the respective offices of the Joint Commissioner (Commercial Taxes).

The computer training in Linux operating system has also been imparted through ELCOT Training Centre at Chennai and other district headquarters to the staff and the officers from the cadre of Joint Commissioners to Office Assistants of this Department. Further, the training on TINXSYS (Tax Information Exchange system) and scrutiny of returns through computers has been given to the officers and staff in Chennai and other divisional headquarters at Vellore, Salem, Coimbatore, Trichy, Madurai and Tirunelveli.

12. STATISTICS AND RESEARCH CELL

The Statistics and Research Cell at the headquarters is headed by Joint Director of Statistics. Each Division has a Junior Research Officer and each Zone/Commercial Taxes District has a Statistical Inspector.

The Statistics and Research Cell brings out two annual publications regularly viz '**Commercial Taxes Department - At a Glance and Commercial Taxes Department-Selected Indicators (Folder)**'. This cell is preparing the following reports: -

1. Analysis of Revenue details of top 100 dealers for all divisions and for the State.
2. Analysis of maximum revenue fetching commodities for all divisions and for the State.

3. Compilation of Act wise/Division wise revenue.
4. Time series analytical reports on Commercial Taxes Statistical compendium.
5. Conduct of commodity oriented studies to assess tax evasion.
6. Report on Evasion prone commodities.

This cell is also monitoring the prices of about 260 commodities to assess the impact of VAT on prices.

13. COMPUTERISATION OF THE DEPARTMENT

Computerisation in the Department was started in 1973 with the help of the Government Data Centre and the Department had its own data centre in 1988 in which the monthly returns were entered and processed for generating MIS reports for the budgetary exercise. Further, to augment revenue collection effectively, the Department started supplying computers to the field offices during 1998. In 2003, all the offices were provided with computers to enter the data in their offices and a Wide Area Network was formed to export the data so entered to the central server at Chennai. Presently, the Department has Internet site namely www.tnvat.gov.in for the use of the trading public and intranet site for the Departmental use.

13.1. Intranet site for Department

The Wide Area Network of the Department is crowned with a departmental website, which provides information on the Offices of the Department, circulars, notifications, important judgments, Acts and Rules and an e-mail facility. The web presents MIS reports already entered in the offices.

13.2 e-Governance in Commercial Taxes Department

The following services in the Commercial Taxes Department are provided under e-Governance through Internet and Intranet websites: -

13.2.1 Registration of dealers

Registration package under Tamil Nadu Value Added Tax Act, 2006 and Central Sales Tax Act, 1956 has been developed in-house and

installed in all assessment offices and Computer generated Registration Certificates are issued to dealers. Provision is also made in the website for online application for Registration.

13.2.2. Return processing

Return processing module under Value Added Tax and Central Sales Tax Acts have been developed in-house and installed in all assessment circles. The returns received in the assessment circles are immediately fed into the computer and exported to the Central Server so that the higher level officers' right from Assistant Commissioners to Commissioner by viewing the "return filed status" can supervise effectively. Similarly the data regarding the purchase and sales is also fed into the computer and cross verification of input tax credit claims is being done by the assessing officers as well as higher officers. Further, the manual housekeeping work of maintaining Cheque Register has been dispensed with and collection activities like challan preparation, scroll generation etc. are carried-out through computers. Besides, provision is also made in the module to generate Self Assessment order.

13.2.3 Connectivity

LAN (Local Area Network) connectivity has been done in all assessment circles and internet broadband connectivity has also been provided to all the offices of the Department. TNSWAN connectivity to all the offices is being provided at the cost of Rs. 374.77 lakhs.

13.2.4. e-Filing of Returns

On-line facility to file returns under Value Added Tax and Central Sales Tax through internet website www.tnvat.gov.in has been mandated to all dealers who claim input tax credit in the monthly returns and accordingly the dealers are filing the monthly returns electronically.

13.2.5. e-Payment

On-line payment / remittance facility through internet website www.tnvat.gov.in is to be rolled out shortly.

13.2.6. Recently introduced e-Services

Following e-services have been introduced: -

1. Checkpost Fast Track Clearing System
2. On-line request of Saleable Forms
3. Refund request for exporters

13.2.7. Other e-Services

The following facilities / services are also made available for the mercantile public through the internet website www.tnvat.gov.in

- The Acts & Rules, Forms, Circulars, Clarifications, Government Orders and Notification issued are made available immediately after their issue.
- The facility to view Dealer Payment History & Profile. (Dealer's Ledger)
- On-line search facility to know the rate & schedule of the commodity.
- On-line search facility to know the details of a dealer by giving their TIN or Name.
- On-line facility to view the status of the refunds issued in the assessment circles.
- On-line facility to view the status of the saleable forms availability in the assessment circles.
- The facility of on-line filing of Form-W (Export Refund) returns by the dealers and the processing of the same in the assessment circle.

13.2.8. Provision of additional computers

Three computers and one multi function device are being provided to all the offices of the Department in addition to existing four computers for more effective functioning of the Department.

13.2.9. Tax Information Exchange System (TINXSYS)

Tax Information Exchange System (TINXSYS) is a **Centralised Solution**, designed and developed by Empowered Committee of State Finance Ministers (EC), to facilitate **information exchange** between State Commercial Taxes Departments which provides effective monitoring of Inter State Trade such as movement of goods sold under concessional rate of tax. The mercantile public as well as Commercial Tax officials can make use of this system to verify dealer and Statutory Forms details under Central Sales Tax Act. All the officials concerned have

already been trained on the usage of The Information Exchange System (TINXSYS) and suitable authorization (like user name and password) for each office has already been provided. It is worthwhile to note that our State is ahead of all other States in uploading the data into TINXSYS Server and unlike in other States, this process is carried-out in-house without any outside agency and additional expenditure to the exchequer.

The following are the TINXSYS websites :

1. <http://www.statevat.gov.in>
2. <http://www.tinxsys.com>
3. <http://www.vinxsys.com>

Further, dealer details (only with respect to Tax Payers Identification Number - TIN) can also be verified through telephone over Interactive Voice Response System (IVRS) for which the user has to dial the toll free number 1800 2200 17.

14. WAIVER COMMITTEE

In G.O.(D) No. 428, Commercial Taxes & Registration (D2) Department, dated 25.8.2006, the Government have constituted a Waiver Committee consisting of following members :

1. The Secretary to Government, Finance Department.
2. The Secretary to Government, Commercial Taxes and Registration Department.
3. The Commissioner of Commercial Taxes, Chennai-5.

This Committee has been formed to examine the waiver proposals received on the ground that the dealers have not collected tax from the consumers due to judicial pronouncements and clarifications from the Department. The meetings of the Waiver Committee were held on 15.11.2006, 13.8.2007 and 17.11.2008.

In the third meeting of the Waiver Committee held on 17.11.2008, 23 cases were considered. As per recommendation of the Waiver Committee, the Government have rejected the request for waiver in 3 cases. Recommendations of the waiver committee are under consideration of the Government in respect of the remaining 20 cases involving an amount of Rs.92,91,25,384/- and orders are being issued.

15. WRITE OFF OF ARREARS

An amount of Rs.98.71 crores was pending collection as tax pertaining to the period upto 1990-1991. This included penalty of Rs.31.29 crores under the Tamil Nadu General Sales Tax Act, 1959 and Rs.6.42 crores under the Central Sales Tax Act, 1956 totalling Rs.37.71 crores. The above said arrears could not be collected inspite of the action taken by the Department for so many years and there was no scope for collection of these arrears from the dealers whose business had been closed down. Considering the above position, the Government have issued orders in G.O.Ms.No.88, Commercial Taxes and Registration (D1) Department, dated 10.10.2008 to write off irrecoverable arrears of Tax, Surcharge, Additional Surcharge, Additional Tax, Penalty and Interest accrued under Tamil Nadu General Sales Tax Act, 1959 and Central Sales Tax Act, 1956 for the period upto 1990-1991 and this scheme is applicable to the dealers wherein cases against assessment and recovery of tax are not pending in courts, where there are no immovable properties and where the business was stopped prior to 1.4.2002. The powers to write off these arrears have been delegated to Territorial Assistant Commissioners now redesignated as territorial Deputy Commissioners.

16. ONE TIME SETTLEMENT SCHEME

With a view to expedite the collection of arrears of tax, penalty and interest arises out of demand raised upto 31.3.2001 a Samadhan Scheme was introduced by Tamil Nadu Sales Tax (Settlement of Arrears) Act, 2006. However, a substantial amount of revenue due to the Government was pending collection for a long time. In view of the above and also in order to mitigate the hardship to the dealers it was proposed to give an opportunity to the dealers to settle the arrears of tax, penalty or interest payable to the Government. Hence, a more liberalized scheme was introduced by ordinance No.7/2008 for settlement of the arrears arisen as a result of demands raised upto 31st March 2002.

The salient features of the scheme are as follows: -

- i) The scheme will be applicable for the demands raised under the Tamil Nadu General Sales Tax Act and the Central Sales Tax Act prior to 1.4.2002.
- ii) For the demands raised, based on best of judgment, it is enough if the applicant pays 1/3rd of arrears of tax pending along with interest at 6% per annum.

- iii) Where the demand relate to arrears of tax which were in excess of the tax admitted as per the monthly returns filed, it is enough if the applicant pays the entire tax admitted as per returns filed and 1/3rd of the arrears which were levied in excess of the tax admitted and pending along with interest at 6% per annum.
- iv) Where the demand relates to arrears of tax which were admitted as tax due as per returns filed, it is enough if the applicant pays the entire arrears of tax pending along with interest at 6% per annum.
- v) The balance of tax and interest and the entire penalty shall be waived.
- vi) Where it relates to arrears of penalty or interest or both consequent on demands raised prior to 1st April, 2002 and where there is no corresponding arrears of tax pending collection on the date of application, if the applicant pays ten percent of the penalty and twenty five percent of interest, the balance of ninety percent of penalty and seventy five percent of interest shall be waived.
- vii) The Scheme was applicable to the following cases: -
 - a) Cases where there were no appeal pending before courts;
 - b) Stopped concerns and running concerns;
 - c) Cases where properties had been attached for recovery of tax;
 - d) Deferral cases where conditions of deferral had been violated.

The scheme was initially in force for 3 months from 1.11.2008 to 31.1.2009. Thereafter, considering the representations of various Merchants Associations the time limit to file applications under the scheme was extended upto 31.3.2009. Under the scheme, 9673 applications were filed by the dealers and a sum of Rs.72.94 crores was collected upto 31.3.2009.

17. TRADERS WELFARE BOARD

The Tamil Nadu Traders Welfare Board was constituted during 1989, based on the announcement made by the Hon'ble Chief Minister of Tamil Nadu on the Floor of the Assembly.

The Tamil Nadu Traders Welfare Board is functioning with the following Members under the dynamic leadership of the Hon'ble Chief Minister of Tamil Nadu: -

1. Hon'ble Chief Minister - Chairman
2. Hon'ble Minister for Commercial Taxes - Vice Chairman
3. Official Members
 - 1) Secretary to Government, Commercial Taxes and Registration Department
 - 2) Commissioner of Commercial Taxes
 - 3) Special Secretary to Government, Finance Department
 - 4) Secretary to Government, Labour & Employment Department
 - 5) Addl. Commissioner(Commercial Taxes /Chief Executive Officer, Tamil Nadu Traders Welfare Board (Member Secretary)
4. Non Official Members - 20 (Trade Members)

At the time of formation of Tamil Nadu Traders Welfare Board, the Government have sanctioned a sum of Rs.2 Crores to meet out the expenditure towards (a) the implementation of welfare schemes to the Traders and (b) the Administrative expenses of the Board. This amount was deposited in Reserve Bank of India under the Personal Deposit Account of the Tamil Nadu Traders Welfare Board and the interest accrued is also deposited in the Personal Deposit Amount. The Government is also sanctioning "Matching Grant" equivalent to the amount of life time membership fee of Rs.250/- collected from the traders every year. Out of the interest accrued in the Personal Deposit Account maintained in Reserve Bank of India and the "Matching Grant" sanctioned by the Government the following welfare schemes are implemented for the traders.

17. 1. Family Assistance

At present, Rs.50,000/- is being granted to the family members of the deceased members.

17.2. Medical Assistance

The Board is granting Rs.50,000/- towards member's medical treatment for By-pass Surgery, Kidney transplantation and Cancer

Surgery, Rs.15,000/- for Medical processes like Dialysis, Chemotherapy, Radiation Therapy and Angioplasty and Rs.20,000/- to Female members for Uterus Removal Surgery.

17.3. Educational Assistance

Rs.5,000/- is being granted as one time assistance to the member's son or daughter for College studies (except part-time course) and Rs.10,000/- for the Post Graduate and Professional Courses for each Academic Year.

17.4. Assistance to sports persons

Assistance of Rs.25,000/-, Rs.10,000/-, Rs.5,000/-, and Rs.3,000/- is being granted to the Trader's children who have won prizes in the International, National, State and District level sports events respectively.

17.5. Assistance for fire accident

Rs.5,000/- is being granted to the member whose shop is destroyed in fire accident/natural calamities.

17.6 Tri-cycle and bunk shop

Under this scheme indigent traders are granted Rs.10,000/- for purchase of Bunk shop manufactured by Co-operative Industries or Tri-cycles.

17.7. Incentives to students securing higher marks

Assistance of Rs.5,000/-, Rs.3,000/- and Rs.2,000/- are being given to Traders' children, who have secured higher marks in 10th and 12th Standard (i.e.) first 3 rank holders in the State.

17.8 Details of implementation of welfare schemes

Details of welfare schemes implemented by way of various assistance to the families and members of the Board as on 31.3.2009 are furnished below: -

S.No.	Welfare Scheme	No.of Members benefited	Amount (Rs. in lakhs)

1	Family Assistance	315	78.35
2	Medical Assistance	38	8.51
3	Educational Assistance	84	2.21
4	Fire Assistance	29	1.45
5	Sports Assistance	2	0.15
6	Higher Education Assistance	6	0.20
7	Physically handicapped Assistance	2	0.15
8	Marriage Assistance (At present dispensed)	2	0.10
	TOTAL	478	91.12

As on 31.03.2009, 45,494 Traders have become Members. So far, Rs.91.12 lakhs have been granted to 478 Members, as detailed above. The Members of the Traders Welfare Board are being issued with certificate of membership and identity cards.

17.9 Internet website

A website "www.tntwb.gov.in" of the Tamil Nadu Traders Welfare Board is functioning to inform the members and the public about the services rendered by the Board.

18. GRIEVANCE REDRESSAL MECHANISM

18.1 Grievance Cell

A grievance cell is functioning from the year 1999 in the Office of the Commissioner of Commercial Taxes to provide a forum for traders to represent their grievances. The cell is headed by Joint Commissioner (Administration) as Chairman and Additional Commissioner (Suo Motu Revision) & Additional Commissioner (Public Relations) as members.

18.2 Interactive Voice Recording System

To receive suggestions, grievances and complaints for better administration of the Department and to receive details of tax evasion, an Interactive Voice Recording System is functioning in the office of the

Commissioner of Commercial Taxes. A separate direct telephone line with No.044-28520535 has been provided for this purpose.

18.3 Call Centre with Toll free Number

A call centre is functioning in Chennai to help the dealers in getting clarification regarding the functioning of the Department and Departmental procedures. A toll free number 1800 425 0960 is functioning in the call centre in addition to 30224224 for the use of trading public.

19. STEPS TAKEN FOR EFFICIENT FUNCTIONING OF COMMERCIAL TAXES DEPARTMENT

19.1. Cash Reward

A scheme to reward private citizen coming up with valuable information on tax evasion and tax fraud has been evolved with a corpus fund of Rupees One lakh operated by the Commissioner of Commercial Taxes. Under the scheme, valuable information received are mainly processed by the Enforcement Wing for using it in the assessments. The details of the informer are kept confidential. For the year 2007-08 an amount of Rs.36,893/- was given to three informers who had given valuable information to detect the evasion of tax.

19.2 Provision of Cell Phones

Already Roving Squad Official of the Enforcement Wing and Deputy Commissioners and Joint Commissioners of Enforcement Wing have been provided with cell phones for exchange of information regarding movement of vehicles and evasion of tax. Now 391 cell phone connections are being provided to all Heads of Assessment Circles, Territorial Deputy Commissioners, Joint Commissioners and Additional Commissioners so that the officers can exchange information, clarify doubts and cross verify the transactions between the dealers. The Assessing Officers can also be easily accessed by the dealers and mercantile community for clarifying doubts and smooth facilitation of trade practices. This will also improve service to dealers, tax compliance and efficiency of tax administration.

19.3. Provision of New vehicles

29 new vehicles have been sanctioned to replace old and condemned vehicles. 11 more old vehicles will be replaced by new vehicles shortly.

19.4. Construction of buildings

A request for sanction of Rs.160 crores has been placed before the 13th Finance Commission for construction of Government buildings to house the 241 Offices of the Commercial Taxes Department that are functioning in private rented buildings throughout the State.

19.5. Right to Information Act, 2005

From 1.1.2008 to 31.12.2008, 221 applications under Right to Information Act, 2005 have been received and action has been taken in all the cases.

20. PART II SCHEMES FOR THE YEAR 2009 - 2010

The following new schemes are approved as Part-II Schemes for the year 2009-2010:-

- (i) Provision of Computer Tables and Chairs and UPS for the Computer Training Hall at the Commercial Taxes Staff Training Institute, Chennai at a cost of Rs.6.19 lakhs.
- (ii) Erection of cabin in the place of thatched shed for Rowing Squad (checkpost) at Concor Terminals, Enforcement –I, Chennai at a cost of Rs.7.36 lakhs.
- (iii) Procurement of 40 numbers of Telephone instruments for Intercom Exchange in Commercial Taxes (PAPJM) Buildings at Greams Road, Chennai at a cost of Rs.0.22 lakhs.
- (iv) Provision of Multi Functional Devices (including Fax, E-mail, Printers, Scanners and Copier facilities) to the offices of the Deputy Commissioners / Joint Commissioners at a cost of Rs.25.04 lakhs.

S.N.M. UBAYADULLAH
Minister for Commercial Taxes